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April 22, 2002

Via Courier

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
c/o Mellon Bank
Lockbox 358145
Pittsburgh, PA 15251-5145

RECEIVED

APR 22 2002

Re: In the Matter of AMP Life Limited, Transferor and Chandalar Communications Corporation, Transferee – Application for Authority Pursuant to Section 214 of the Communications Act of 1934, as Amended, to Transfer Control of WCI Cable, Inc and Alaska Fiberstar, L.L.C., Debtors-in-Possession, authorized to provide domestic telecommunications services pursuant to blanket Section 214 Authority

Dear Ms. Dortch:

Please find enclosed hereunder an original and six (6) copies of the application of Chandalar Communications Corporation ("Chandalar") of authorization of a transfer of control under Section 214. The appropriate Form 159 and a check for the requisite filing fee are also enclosed herewith.

Please date-stamp and return the enclosed extra copy of this filing in the envelope provided for this purpose. Should you have any additional questions or concerns in this matter, please do not hesitate to contact Michael Schunck at (202) 295-8349 or Troy Tanner at (202) 295-8360.

Respectfully Submitted



Troy F. Tanner
Michael Schunck

Counsel to Chandalar Communications
Corporation

Enclosures

CERTIFICATION OF
CHANDALAR COMMUNICATIONS CORPORATION

On behalf of Chandalar Communications Corporation, Transferee, I hereby certify that the statements in the foregoing Application for authority to transfer control of authorized carriers WCI Cable, Inc. and Alaska Fiberstar, L.L.C. as Debtors-in-Possession are true, complete, and correct to the best of my knowledge and are made in good faith.

**CHANDALAR COMMUNICATIONS
CORPORATION**

By: _____



Name: Stephen Lovas

Title: Chief Executive Officer

Date: April 27 2002

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)

AMP Life Limited)
Transferor)

and)

Chandalar Communications Corporation)
Transferee)

Application for authority pursuant)
to Section 214 of the Communications)
Act of 1934, as amended, to transfer)
Control of WCI Cable, Inc. and)
Alaska FiberStar, L.L.C., as debtors-in-possession,)
authorized to provide domestic telecommunications)
services pursuant to blanket Section 214 authority.)

WC 02-97

File No. CC-_____

APPLICATION FOR TRANSFER OF CONTROL

I. INTRODUCTION

Chandalar Communications Corporation ("Chandalar" or the "Applicant"), by its undersigned counsel and pursuant to Section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214 (the "Act"), hereby requests approval for a transfer of control of WCI Cable, Inc. as Debtor-in-Possession ("WCI") and Alaska FiberStar, L.L.C. as Debtor-in-Possession ("AFS") from AMP Life Limited to Chandalar.

efficient services to U.S. consumers, enhance competition and thus serve the public interest

V. CONCLUSION

For the reasons stated above, Chandalar Communications Corporation respectfully submits that the public interest, convenience and necessity would be furthered by grant of this application for authority to transfer control of WCI Cable, Inc. and its bankrupt subsidiaries including Alaska FiberStar, L.L.C. from AMP Life Limited to Chandalar. Applicants respectfully request expedited review of this Application in order to permit Applicants to consummate the proposed transfer of control transaction as soon as possible after the requisite regulatory and bankruptcy approvals have been obtained.

Respectfully submitted,

By: 

Troy F. Tanner
Michael Schunck
SWIDLER BERLIN SHEREFF FRIEDMAN, LLP
3000 K Street, N.W., Suite 300
Washington, D.C. 20007
Tel: (202) 424-7500
Fax: (202) 424-7645

Counsel to Chandalar Communications Corporation

Dated: April 22, 2002

Licensee WCI and certain of its subsidiaries including AFS (collectively "Debtor") are presently debtors-in-possession, having filed for reorganization under Chapter 11 of the bankruptcy laws in the U.S. Bankruptcy Court for the District of Oregon ("Bankruptcy Court" hereafter). As fully described below, the prospective transfer of control for which permission is being sought will occur pursuant to a stock purchase agreement under the supervision of the Bankruptcy Court on a schedule prescribed by the Court. The expeditious approval of this Application by June 14, 2002, will allow Chandalar to promptly close this transaction as soon as possible upon Bankruptcy Court approval.

In support of its Application, Chandalar states as follows:

II. DESCRIPTION OF THE DEBTOR

Debtor owns and operates a fiber-optic network and related assets in Oregon, Washington, and Alaska, including a terrestrial fiber network known as "Alaska Fiber Star;" a submarine cable system connecting the continental U.S. and several points in Alaska;¹ as well as the associated network operations centers, collocation facilities and backhaul required to operate this system. WCI also holds an international Section 214 authorization from the Federal Communications Commission ("Commission") to provide international global facilities-based and resale services.² Both WCI and its subsidiary AFS are authorized to provide domestic interstate telecommunications services pursuant to Section 214 of the Act.

¹ The operation of this submarine cable system is authorized pursuant to two cable landing licenses held by a wholly-owned subsidiary of WCI, Alaska Northstar Communications, L.L.C. See *Alaska Telecom, Ltd., L.C. Cable Landing License*, File No. SCL-94-004, 10 FCC Rcd. 6072 (1995). See also *Alaska Northstar Communications, L.L.C., Cable Landing License*, File No. SCL-96-002, DA 96-1815 (authorizing a spur cable between Whittier and Valdez, AK). Chandalar has, contemporaneously with the present filing, submitted an application requesting authority for a transfer of control involving these cable landing licenses.

(8) Presumption of Non-Dominance and Qualification for Streamlining

As noted directly above and elsewhere, Chandalar's present application qualifies for expedited processing since Chandalar is not a carrier and has no affiliation with any carrier. Licensees WCI and AFS are a non-dominant carriers. The proposed acquisition in no way holds any potential for lessening competition since it only involves non-dominant carriers being bought by a non-carrier.

(9) Other pending Commission applications concerning this proposed transaction:

Contemporaneously herewith, Chandalar is filing additional applications required to enable the above-described transaction to proceed. These concern the following additional authorizations held by WCI and its subsidiaries:

- International Section 214 Authority held by WCI Cable, Inc. (Global facilities-based and resale authority, File Number ITC-214-20000330-00209).
- Cable Landing Licenses held by Alaska Northstar Communications, LLC, a wholly-owned subsidiary of WCI (*See Alaska Telecom, Ltd., L.C. Cable Landing License*, File No. SCL-94-004, 10 FCC Rcd. 6072 (1995). *See also* Alaska Northstar Communications, L.L.C., *Cable Landing License*, File No. SCL-96-002, DA 96-1815).
- Industrial Wireless License (Call Sign WPMR 316) held by WCI as Debtor-in-Possession.

(10) Special Consideration because of imminent business failure

As described at length in the foregoing, WCI and AFS, the Licensees in this application, are already under the jurisdiction of the Bankruptcy Court. In order to assure an orderly and seamless closing of this proposed transaction upon Bankruptcy Court approval and prior to June 30, 2002, the Transferee, Chandalar, requests expedited treatment of this application to allow approval to be received by **June 14, 2002**.

(11) Waiver requests (if any)

None

(12) Public Interest Statement

The transfer of control of WCI and AFS from AMP to Chandalar described herein is in the public interest since the proposed acquisition of WCI and AFS will lead to the re-emergence of stronger and better-financed competitors in the market for telecommunications services in and between Alaska and the continental United States and international points. Chandalar believes that it can operate WCI's assets in an efficient and economical manner, and bring a stronger financial basis to these operations. Chandalar's stock purchase of WCI will permit that carrier and its subsidiaries to provide an array of high quality, economical and

WCI is a Delaware corporation majority owned by an Australian insurer, AMP Life Limited (“AMP”). AFS is a subsidiary of WCI. On August 20, 2001, WCI and certain of its subsidiaries including AFS (collectively “Debtor”) sought and obtained bankruptcy protection under Chapter 11 of the federal bankruptcy law, 11 U.S.C. § 101 *et seq.* In consequence of this change in status of the licensee and its immediate parents to debtors-in-possession, WCI on or about January 24, 2002 filed a *nunc pro tunc* petition with the Commission seeking authorization of an assignment and transfer of control of the blanket domestic Section 214 authorization held by WCI and AFS in addition to seeking a further transfer of control and assignment as described below.³

Subsequent to its bankruptcy filing⁴ and during a period permitting the Debtors-in-possession to attempt to negotiate exclusive arrangements with potential purchasers, WCI entered into preliminary discussions with a third party for the disposition of certain of its assets. This third party, Neptune Communications, LLC and an acquisition entity created for this purpose (collectively “Neptune”) on or about January 23, 2002 filed for and received the approval of the Commission for the transfer of control and assignment of the Commission authorizations held by the Debtor, including the blanket domestic Section 214 authorization. In addition, Debtor and Neptune filed petitions to transfer control over WCI’s international Section 214 authorization,⁵ as well as of two cable landing licenses held in the name of another wholly-owned subsidiary of WCI, Alaska Northstar Communications, L.L.C.⁶ These requests, and their respective grants by the

² File Number ITC-214-20000330-00209 (granted May 3, 2000).

³ See *Joint Application of Neptune Communications, Alaska Fiberstar License Corporation and Northstar License Corporation*, CC Docket 02-51, DA 02-788 (*rel.* April 8, 2002).

⁴ Bankruptcy Case No. 301-38242-rld11 (Bankr. D. Oregon)

⁵ See ITC-T/C-20020123-00074, DA 02-682 (Report TEL-00511, *rel.* March 21, 2002)

⁶ See *In the Matter of WCI Cable, Inc., Assignor, Northstar License Corporation, Assignee, AMP Lice Limited, Transferor, Neptune Communications, LLC, Transferee, Application for Assignment of*

Nextnet in turn is wholly-owned by:

Name:	John Warta
Address:	1737 B Street Washougal, WA 98671
Citizenship:	United States
Percentage Owned:	95%
Principal Business:	Telecommunications Investments

(5) Anti-Drug Abuse Certification

Chandalar certifies that, pursuant to Sections 1.2001 through 1.2003 of the Commission's Rules (implementing the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 3301), no party to its application is subject to a denial of federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

(6) Description of Transaction

By this application, Applicant seeks authority to purchase the stock of WCI Cable, Inc. upon Bankruptcy Court approval, resulting in a transfer of control of WCI and AFS, non-dominant common carriers holding blanket domestic Section 214 authority, from AMP Life Limited to Chandalar. This prospective transfer of control would occur pursuant to a stock purchase agreement under which Chandalar would acquire all of WCI's stock.

(7) Geographic Service Area Description

Transferor Chandalar does not now provide telecommunications services. Transferee AMP does not provide telecommunications services. The licensees, WCI and AFS, operate the telecommunications facilities described in the foregoing to provide telecommunications services primarily within Alaska and between points in Alaska and the Pacific Northwest over a cable system landing in Alaska, Oregon and Washington state.

The current application does not involve consolidation of service, facilities or ownership of carriers. Chandalar is a new entity not providing telecommunications service, and its proposed acquisition of WCI will therefore not eliminate any current competitor in the market for telecommunications services in the Pacific Northwest or elsewhere.

Moreover, and particularly in view of the current debtor-in-possession status of WCI and its subsidiaries, the acquisition of WCI, its licenses and associated assets by a non-carrier investor promises to restore vigorous competition in the regional telecommunications market by allowing a restructured WCI to more effectively compete, to the ultimate benefit of telecommunications users.

Commission are conditional upon Neptune's ultimately being selected by the Bankruptcy Court as purchaser of the Debtor, its licenses and associated assets.⁷

Shortly after these filings, on April 8, 2002, the Bankruptcy Court entered an Order terminating the exclusivity period relating to the filing of reorganization plans and in so doing, permitted and encouraged other parties to file competing bids and plans of reorganization for these licenses and other assets owned or controlled by the Debtor. The Bankruptcy Court's order required bidders to file their plans and disclosure statements on or before April 19, 2002, which materials will be sent to all creditors of the Debtor (WCI and its subsidiaries) for consideration. The Bankruptcy Court has set June 13 and 14, 2002 as tentative dates for the confirmation of the winning bidders, only after which point the eventual transfer of control and/or assignment of the Debtor's licenses will be permitted to become effective.⁸ The Bankruptcy Court has stated that the confirmation hearing will be scheduled and concluded to allow a closing to occur on or before June 30, 2002. It is the objective of the Bankruptcy Court to sell WCI to the highest offeror that will close the acquisition as soon as possible after the Court's decision expected on June 14, 2002.

Cable Landing Licenses and Transfer of Control over Cable Landing Licensee, DA No. 02-762 (IB) (granted April 4, 2002).

⁷ See *supra*, Note 7.

⁸ See for example *In the Matter of WCI Cable, Inc., Assignor, Northstar License Corporation, Assignee, AMP Lice Limited, Transferor, Neptune Communications, LLC, Transferee, Application for Assignment of Cable Landing Licenses and Transfer of Control over Cable Landing Licensee*, CC Docket No. 02-51, DA No. 02-762 (IB) (granted April 4, 2002) (*acknowledging the existence of a competing bidder in the bankruptcy proceeding and the contingency of Neptune's bid underlying the grant of authority*).

Transferor:

AMP Life Limited
Phillip Mackey, Company Secretary
Level 24, AMP Building
33 Alfred Street
Sydney NSW 2000
Australia

Licensees:

WCI Cable, Inc. as Debtor-in-Possession
19720 NW Tanasbourne Drive
Hillsboro, OR 97124-9073
Attn: Keith Maib

Alaska Fiberstar, L.L.C. as Debtor-in-Possession
19720 NW Tanasbourne Drive
Hillsboro, OR 97124-9073
Attn: Keith Maib

(4) Applicant Ownership - Name, Address, Citizenship and Principal Business of 10% Owners:

After completion of the transaction, the following persons or entities will hold a ten percent (10%) or greater, direct or indirect, ownership interest in WCI Cable, Inc.:

Name:	Chandalar Communications Corporation
Address:	1737 B Street Washougal, WA 98671
Citizenship:	United States (Oregon)
Percentage Owned:	100% of WCI stock
Principal Business:	Telecommunications Network Operator

Chandalar Communications is wholly-owned by

Name:	Nextnet Investments LLC ("Nextnet")
Address:	1737 B Street Washougal, WA 98671
Citizenship:	United States (Washington)
Percentage Owned:	100%
Principal Business:	Venture Capital

III. DESCRIPTION OF THE APPLICANT AND THE TRANSACTION

A. Chandalar Communications Corporation

Chandalar Communications Corporation is a U.S.-owned Oregon corporation established for the purpose of acquiring the assets, licenses and operations of WCI and its subsidiaries, including AFS. Chandalar does not hold any FCC authorizations, but has contemporaneously with this filing applied for authority to transfer control of other authorizations held by the Debtor.⁹ On April 19, 2002, Chandalar filed a plan and disclosure statement with the Bankruptcy Court and is actively seeking to have its bid selected by the WCI creditors and the Bankruptcy Court. Chandalar is aware of the competing offer and the corresponding prospective regulatory filings made by Neptune and WCI and has determined to outbid Neptune, so as to acquire the licenses and assets of WCI and its bankrupt subsidiaries. In anticipation of being selected as the highest and best bidder by the Bankruptcy Court, and thus needing to close immediately following approval on June 14, 2002, Chandalar is now in the process of filing for the various regulatory approvals required to seamlessly acquire and operate the regulated assets at stake; and to secure the public interest in being provided with uninterrupted, high-quality services using the assets and licenses of the Debtor, including particularly the Debtor's blanket Section 214 authorizations.

B. Structure of the Transaction

In connection with the reorganization being overseen by the Bankruptcy Court, Chandalar proposes to acquire control of WCI Cable, Inc. and thus its subsidiaries, including AFS, both of which hold blanket domestic Section 214 authority. Among other things, Chandalar will, upon approval of its bid by the Bankruptcy Court as described

Licensees:

WCI Cable, Inc. as Debtor-in-Possession
19720 NW Tanasbourne Drive
Hillsboro, OR 97124-9073

Alaska Fiberstar, L.L.C. as Debtor-in-Possession
19720 NW Tanasbourne Drive
Hillsboro, OR 97124-9073

(2) State of Organization

Transferee:

Chandalar Communications Corporation is an Oregon corporation.

Transferor:

AMP Life Limited is an Australian corporation.

Licensee:

WCI Cable, Inc. is a Delaware corporation.
Alaska FiberStar, L.L.C. is a Alaska limited liability company.

(3) Correspondence concerning this application

Transferee:

All communications to Chandalar concerning the present application should be directed to:

Troy F. Tanner
Michael Schunck
Swidler Berlin Shereff Friedman, LLP
3000 K Street, NW, Suite 300
Washington, DC 20007-5116
Tel.: 202-424-7500
Fax: 202-424-7643
Tftanner@swidlaw.com
Mjschunck@swidlaw.com

with a copy to:

Stephen Lovas
Chandalar Communications Corporation
50 Doe View Lane
Pound Ridge, NY 10576
Tel.: 914-552-0888
Fax: 914-764-0715

below, purchase WCI and acquire control over all of the assets, licenses and operations associated with the Debtor. Chandalar proposes to acquire WCI in the following manner: Upon receipt of Bankruptcy Court and all requisite regulatory approvals, Chandalar will acquire, pursuant to a stock purchase agreement (the "Purchase Agreement"), a 100% ownership in WCI. Upon the approval of Chandalar's bid by the Bankruptcy Court, and the requisite Commission approvals, Chandalar will, at the closing of the contemplated purchase, be issued convertible preferred stock in WCI.

Chandalar has determined that the proposed acquisition of WCI in bankruptcy will enable it to enter the market for telecommunications services in and between Alaska and the continental United States, operate WCI's Assets in an efficient and economic manner and bring a stronger financial basis to its operations. By Chandalar's stock purchase, and the consequent establishment of a strong competitor able to provide an array of high quality services to U.S. consumers, the public interest will be served. Upon completion of this transaction, the Assets will continue to be operated in accordance with the terms and conditions attached to their respective authorizations, including the domestic Section 214 authorizations held by Debtors.

C. Jurisdictional and Procedural Considerations

The present application concerns a multi-phased transaction to occur under the shared jurisdiction of the Commission and the Bankruptcy Court.¹⁰ Chandalar is a competing bidder for the assets, operations and licenses of a bankrupt entity. Under the procedural schedule of the WCI bankruptcy case, Chandalar was unable to bid for, or file regulatory applications on its own behalf until the period of exclusivity granted the

⁹ Please see Section V, item 9 herein for related filings by Chandalar in this matter.

equipped to grow and provide competitive telecommunications services between and in the Pacific Northwest and Alaska. In sum, the proposed transaction will ensure the continued provision of high quality and innovative telecommunications services to Debtor's existing customers and should promote competition in the telecommunications service market.

V. ADDITIONAL INFORMATION

The Commission has set forth certain information requirements¹¹ for applications seeking to transfer control over domestic Section 214 carriers. In addition to the information provided in the foregoing, Applicant states as follows:¹²

(1) Name, Address and Telephone Number of Applicant

Transferee:

Chandalar Communications Corporation
1737 B Street
Washougal, WA 98671
Tel: 914-552-0888

Transferor:

AMP Life Limited
Phillip Mackey, Company Secretary
Level 24, AMP Building
33 Alfred Street
Sydney NSW 2000
Australia

¹¹ See *Public Notice: Common Carrier Bureau Announces Procedures for Applicants Requiring Section 214 Authorizations for Acquisitions of Corporate Control*, 16 FCC Rcd. 13862 (DA 01-1654, rel. July 20, 2001).

¹² The following numbering scheme utilizes the Commission's newly promulgated rules, particularly Section 63.04, which will become effective soon.

debtor-in-possession expired, which happened on April 8, 2002. Because WCI has already filed a joint application with Neptune, Chandalar, as a third party and competing bidder for the Assets, is seeking the consent of the Commission for a proposed transfer of control over Debtor's authorizations without the participation of WCI or its non-bankrupt foreign parent.

While the Bankruptcy Court has now provided an opportunity for qualified bidders like Chandalar to make the best offer for the Assets, and will only confirm the winning bid on June 14, 2002, a competing bidder (like Chandalar) must, in order to have a viable bid before WCI's creditors and the Bankruptcy Court, promptly obtain the required regulatory approvals which will allow it to close and operate the Assets once confirmation of the sale is made. Therefore, Chandalar seeks expedited, streamlined consideration of this application. Enabling the participation of Chandalar as a competing bidder, through the expeditious approval of this application will enable the Commission to realize the complementary public policy goals of the Communications Act as well as the aims of bankruptcy law.

IV. PUBLIC INTEREST STATEMENT

Grant of this Application will serve the public interest. Chandalar expects that the proposed transaction will permit a reorganized WCI to more effectively service new and existing customers and provide WCI with additional financial support, thereby helping to ensure the continued provision of high quality and innovative telecommunications services to WCI's existing customers. Chandalar submits that its proposed bid and the resulting transfer of control of Debtor's authorization will result in a company better

¹⁰ Nextwave Personal Communications Inc. *et al.* v. FCC, 254 F. 3d 130 (2001); LaRose *et al.* v. FCC, 494 F2d 1145, 1146 n.2 (1974).